

# CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Mid Penn Bancorp, Inc.

Point of Contact:	K. W. Laudenslager	RSSD: (For Bank Holding Companies)	1944204
UST Sequence Number:	138	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	10,000,000	FDIC Certificate Number: (For Depository Institutions)	9889
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 08, 2012	City:	Millersburg
Date Repaid <sup>1</sup> :	N/A	State:	Pennsylvania

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Despite low loan demand, we were able to underwrite approximately \$131 million in new loans in 2011. Without the CPP funds, we would not have been able to grow our balance sheet due to constraints on capital in a market where community bank access to capital is nonexistent.

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☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

During 2011, we underwrote approximately: \$36MM in residential mortgages, \$87MM in commercial loans, and \$8MM in consumer loans.

☒ **Increase securities purchased (ABS, MBS, etc.).**

With excess deposits, we were able to purchase CMOs and MBS because of the capital that the CPP funds afforded us. We increased net investments by approximately \$60MM during 2011.

☐ **Make other investments.**

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☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

☐ Increase charge-offs.

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<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution.
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<input type="checkbox"/>	Held as non-leveraged increase to total capital.
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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

With the CPP funds, we were able to avoid shrinking our Balance Sheet due to capital constraints. This translates into us having been able to continue to lend and buy mortgage-backed securities.

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### **What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

We were able to continue lending. We grew our loan portfolio by a net 3% in 2011. In fact, we were able to actively seek out good loans during the year. Because we have the CPP funds, our growth rate was constrained by the general economy and demand for loans, not our capital.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.